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JUN 24 PM 4 06

June 24, 2004

REGULATORY AUTHORITY
DOCKET #004

VIA HAND DELIVERY

Honorable Kim Beals, Esq., Hearing Officer
c/o Sharla Dillon, Docket & Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee, 37243-0505

RE: Petition of Cellco Partnership d/b/a/ Verizon Wireless for Arbitration Under the
Telecommunications Act of 1996, TRA Consolidated Docket No. 03-00585

Dear Hearing Officer Beals:

Attached hereto please find an original and thirteen (13) copies of *Rebuttal Testimony of Marc B. Sterling on behalf of Cellco Partnership d/b/a Verizon Wireless* hereby filed in the above-referenced matter.

The enclosed documents have been served on counsel for the Rural Coalition of Small LECs and Cooperatives. If you have any questions about this filing or need any additional information, please do not hesitate to give me a call at (615) 744-8446

Sincerely,

J. Barclay Phillips

clw

Enclosure

cc: William T. Ramsey, Esq.
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BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

04 JUN 24 PM 4 03

IN RE:

Petition of Cellco Partnership d/b/a Verizon Wireless)
for Arbitration under the Telecommunications Act)

TN REGULATORY AUTHORITY

) Docket No. 03-00585

**REBUTTAL TESTIMONY OF MARC B. STERLING
ON BEHALF OF
CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS**

1 **Q. State your name, address and occupation.**

2 A. My name is Marc B. Sterling. I am Member Technical Staff – Contract
3 Negotiator for Verizon Wireless and my office address is One Verizon Place, Alpharetta,
4 Georgia 30004

5

6 **Q. Have you previously offered direct testimony in this proceeding?**

7 A Yes. My direct testimony in this proceeding was filed on June 3, 2004.

8

9 **Q. What is the purpose of your rebuttal testimony?**

10 A. The purpose of my rebuttal testimony is to respond to certain portions of the
11 testimony of Steven E. Watkins filed on behalf of the Coalition of Small LECs and
12 Cooperatives (“ICOs”). In order to avoid repetition with the rebuttal testimony of the
13 other CMRS Providers, I will limit my response to Issues 7, 12, and 15. To the extent not
14 otherwise addressed by specific rebuttal testimony submitted by me, for the limited
15 purposes of this consolidated arbitration, Verizon Wireless generally concurs with the
16 rebuttal testimony submitted by the other CMRS Providers regarding those areas for

1 which they have assumed primary responsibility and submitted rebuttal testimony.

2

3 **ISSUE 7: (A) Where should the point of interconnection (“POI”) be if a direct**

4 **connection is established between a CMRS provider’s switch and an ICO’s switch?**

5 **(B) What percentage of the cost of the direct connection facilities should be borne by**

6 **the ICO?**

7 **Q. On page 33 of his testimony, Mr. Watkins states, “...no LEC is required to**
8 **transport traffic (or take financial responsibility for such transport) beyond its**
9 **network. There is no statutory or regulatory requirement that conflicts with this**
10 **fact.” Do you agree?**

11 **A. No. According to the current inter-carrier compensation regime as established by**
12 **the Telecom Act of 1996 and the FCC’s rules, the carrier originating telecommunications**
13 **traffic is considered to be the cost causer, and thus bears the cost of delivering**
14 **“telecommunications traffic” originated on its network to the terminating carrier’s**
15 **network**¹ **In the case of traffic exchanged between a LEC and a CMRS provider, this**
16 **regime encompasses all traffic that, at the beginning of the call, originates and terminates**
17 **in the same Major Trading Area (“MTA”).**² **LECs are expressly *prohibited* from**
18 **assessing charges on CMRS providers for telecommunications traffic that originates on**
19 **the LECs’ network, whether in the form of third-party transit charges it incurs or in the**
20 **form of failure to share in the cost of transport facilities used for direct interconnection.**³

¹ 47 CFR § 51.703(b)

² 47 CFR § 51.701(b)(2)

³ 47 CFR § 51.703(b), *see TSR Wireless, LLC v. U.S. West Communications, Inc.*, 15 FCC Rcd 11166, ¶ 31 (2000) (“Section 51.703(b), when read in conjunction with Section 51.701(b)(2), requires LECs to deliver, without charge, traffic to CMRS providers anywhere within the MTA in which the call originated [A] LEC may not charge CMRS providers for facilities used to deliver LEC-originated traffic that originates and terminates within the same MTA, as this constitutes local traffic under our rules.”)

1

2 **Q. Further on page 33, Mr. Watkins states “The confinement of shared costs to**
3 **those facilities that connect the networks within the ICO service area is also**
4 **consistent with the realization that the calls to be exchanged over the facilities, with**
5 **respect to wireline originating calls, are presumed to be terminated within the**
6 **ICO’s local geographic calling scope.” Do you agree?**

7 A. No. The FCC has established the MTA as the geographic area that determines
8 what traffic is subject to local treatment for inter-carrier compensation purposes. There is
9 no requirement that wireline originating calls terminate within the originating LEC’s
10 local geographic calling scope.

11

12 **ISSUE 12: Must an ICO (A) provide dialing parity and (B) charge its end users the**
13 **same rates for calls to a CMRS NPA/NXX as calls to a landline NPA/NXX in the**
14 **same rate center?**

15 **Q. In his initial comments about this issue on page 43, Mr. Watkins states,**
16 **“...the interconnection rules do not dictate what service a LEC or a CMRS provider**
17 **offers to its own customers, what they charge these customers, or the manner in**
18 **which the LEC or CMRS provider provisions such services.” What is your**
19 **response to this?**

20 A. I believe Mr. Watkins’ comment is misleading. The CMRS Providers are not
21 attempting to change the services provided by the ICOs to their end user customers or the
22 rates they charge their end user customers. The CMRS Providers simply expect the ICOs
23 to charge their end users the same amount for calls to CMRS NPA/NXXs associated with

1 a given rate center as they charge their end users for calls to landline subscribers'
2 NPA/NXXs associated with the same rate center To do otherwise would clearly be
3 discriminatory and anti-competitive.

4
5 **Q. At the bottom of page 44, Mr. Watkins provides his interpretation of what**
6 **CMRS providers mean by “local dialing parity.” Mr. Watkins states, “There can be**
7 **no requirement that forces a wireline LEC to treat as “local” a call to a mobile user**
8 **that is located in California just because the telephone number appears to be a**
9 **number that would only be used at a location in Tennessee if it was assigned to a**
10 **landline service.” Do you agree?**

11 A. No. Mr. Watkins’ comment appears to presume that the vast majority of ICO-
12 originated calls to CMRS Providers’ NPA/NXXs are ultimately delivered to CMRS end
13 users in distant locations. Quite to the contrary, the CMRS Providers have built wireless
14 networks in their licensed areas in Tennessee in order to provide service in those areas.
15 The CMRS Providers obtain NPA/NXXs associated with a particular rate center in their
16 licensed area to ensure their end user customers can be called from local wireline
17 telephones on a local basis. In other words, it is simply false to say that the CMRS
18 Providers are forcing the ICOs to provide local telephone exchange services to customers
19 that are located outside of the ICOs’ franchise areas.

20
21 **Q. On page 45, Mr. Watkins states, “...the FCC has concluded that NPA-NXX**
22 **information is generally meaningless with respect to mobile wireless service.” Do**
23 **you agree?**

1 A. No. Although the association of an NPA-NXX with a landline rate center is not
2 very important for mobile-originated calls, it is critical for land-to-mobile calling. For
3 this reason, CMRS providers' end user customers typically request local numbers. This
4 generally occurs because the CMRS subscriber either works or lives in the geographical
5 area associated with the requested NPA- NXX code. Further, if the FCC truly considered
6 NPA-NXX assignments to be meaningless for mobile wireless service, they would not
7 have ordered inter-modal local number portability.

8
9 **Q. Does the introduction of wireline-wireless local number portability impact**
10 **the need for dialing parity on wireline-originated calls?**

11 A. Yes. As people port their telephone numbers from wireline carriers to wireless
12 carriers, they fully expect, and rightfully so, that those wireline end users that could call
13 them on a local basis prior to porting will still be able to call them on a local basis after
14 they port to wireless. I also believe that as inter-modal portability becomes more
15 common, consumer expectations of dialing and toll parity will be higher.

16
17 **Q. Does the ability of an ICO's end user to call a CMRS Provider's end user on**
18 **a local basis impact the volume of land-to-mobile calling and the balance between**
19 **wireline-originated and wireless-originated traffic?**

20 A. Yes. Consumers placing calls from wireline phones generally expect to pay long
21 distance charges when dialing a wireless number associated with a non-local rate center
22 When calling a wireless number associated with a local or EAS rate center, however, they
23 expect local treatment. Wireline end users often will not place calls to such local or

1 EAS-rated wireless numbers if they know they'll incur long distance charges. On the
2 other hand, the non-discriminatory ability to call local wireless numbers on a local basis
3 leads to increased land-to-mobile calling and more even calling patterns
4

5 **Q. On page 46, Mr. Watkins suggests that Issue 12 should be dismissed as**
6 **beyond the scope of interconnection arbitration. Do you agree?**

7 A. No. This issue should not be dismissed, as it arises under Section 251(b)(3), and
8 directly affects the service we provide our customers.
9

10 **ISSUE 15: Should the scope of the Interconnection Agreement be limited to indirect**
11 **traffic?**

12 **Q. On page 34, Mr. Watkins states, "Direct interconnection was not the subject**
13 **of the negotiations undertaken by the parties..." and on page 49 Mr. Watkins states,**
14 **"...the subject of the discussions with the CMRS providers has been the indirect**
15 **transit arrangement with BellSouth." Do you agree?**

16 A No The initial interconnection agreement draft proposed by the CMRS Providers
17 was based on the existing interconnection agreement between Verizon Wireless and TDS,
18 and contained terms and conditions for both direct and indirect interconnection.
19

20 **Q. Would the lack of terms and conditions for direct interconnection likely**
21 **impact the ability of the CMRS Providers and the ICOs to draft and implement an**
22 **interconnection agreement?**

23 A. Yes As noted in my direct testimony, the volume of traffic Verizon Wireless

1 currently exchanges with several of the ICOs is already at a level where establishing
2 direct interconnection facilities with these ICOs would be economically efficient and
3 mutually beneficial. Further, Verizon Wireless expects continued growth in minutes of
4 usage in markets also served by the ICOs, particularly as wireline end users are able to
5 dial wireless NPA/NXXs as local calls. Without provisions governing the rates, terms
6 and conditions for direct interconnection facilities, it is not clear the parties would be able
7 to negotiate terms and conditions governing direct interconnection facilities.

8

9 **Q. Do the provisions of Section 252(b) require the TRA to decide all disputed**
10 **issues?**

11 A. Yes, according to Section 252(b)(4)(C), "The State commission shall resolve each
12 issue set forth in the petition .."

13

14 **Q. Does this conclude your testimony?**

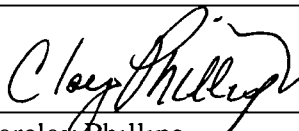
15 A. Yes, at this time.

CERTIFICATE OF SERVICE

I hereby certify that on June 24, 2004, a true and correct copy of the foregoing has been served on the parties of record, via the method indicated:

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